

Date Mailed
August 29, 2000

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Wisconsin Electric Power Company for Construction
Authorization for Installation of Natural Gas Distribution Facilities
in the City of Lake Geneva and Town of Lyons, Walworth County
(Highway 120 Project)

6630-CG-113

**NOTICE OF PROCEEDING, INVESTIGATION,
AND ASSESSMENT OF COSTS**

THIS IS A PROCEEDING to consider the July 27, 2000, application of Wisconsin Electric Power Company (WEPCO), as a public utility, for authority under Wis. Stat. § 196.49 and Wis. Admin. Code ch. PSC 133, to construct natural gas facilities in the city of Lake Geneva and the town of Lyons, Walworth County, Wisconsin.

WEPCO is a public utility as defined in Wis. Stat. § 196.01(5)(a), with its principal office in Lake Geneva, Wisconsin. WEPCO engages in the business of distributing and selling natural gas in areas throughout Wisconsin.

Predecessors to WEPCO legally performed gas utility service in the city of Lake Geneva before August 1, 1931, and received Commission authorization to provide gas service in the town of Lyons in docket 6710-CG-1, dated March 26, 1982.

In its application, WEPCO states that customer growth in the former Wisconsin Southern Gas Company service area is causing the existing system of high pressure supply mains to approach full capacity. As a result, WEPCO asserts that the continuation of firm distribution service to sales and transportation customers and anticipated future customer growth requires the following improvements:

1. Installation of approximately 22,000 feet of 10-inch steel, 400-psig supply main;
2. Installation of two 10-inch valve assemblies; and
3. Installation of a pressure regulation facility.

WEPCO estimates the cost of the proposed project at \$1,362,000. Wis. Admin. Code § PSC 133.03(1)(h), requires that a public gas utility obtain Commission authorization under Wis. Stat. § 196.49(2) for any single gas line project the cost of which exceeds \$600,000.

The proposed route will be located within the public right of way of STH 120 and within easement. The project begins at WEPCO's Lake Geneva Service Center on Sheridan Springs Road in the city of Lake Geneva, continues north along STH 120 and terminates at Hospital Road in the town of Lyons. The proposed route is shown on the attached map.

The proposed route parallels an existing 6-inch steel main currently operating at 200-psig. When the new 10-inch main and facilities are placed in operation, WEPCO intends to:

1. De-rate the 6-inch main and begin operating this main at 40-psig;
2. Retire four existing pressure regulation facilities; and
3. Retire 14 existing high-pressure (farm tap) service regulators.

WEPCO estimates the cost to remove the facilities it intends to retire at \$20,000. WEPCO states the book value of the facilities it intends to retire is \$10,548.

The Commission intends to consider the application without a hearing.

NOTICE IS GIVEN that the Commission considers it necessary, in order to carry out its duties, to investigate all books, accounts, practices, and activities of the applicant. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such an investigation will be assessed against and collected from the applicant in accordance with the provisions of Wis. Stat. § 196.85 and Wis. Admin. Code ch. PSC 5.

This is a Type II action under Wis. Admin. Code § PSC 4.10(3). It consequently requires the preparation of an environmental assessment to determine whether an environmental impact statement is necessary under Wis. Stat. § 1.11. Persons wishing to comment on environmental aspect of the proposed project should contact Michael John Jaeger, Public Service Commission of Wisconsin, P.O. Box 7854, Madison, WI 53707-7854, (608) 267-2546, jaegem@psc.state.wi.us. To be considered in this analysis, comments must be received within 14 days of the mailing date of this notice. County and municipal clerks receiving this notice are asked to post it in a publicly accessible location.

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to obtain this document in a different format should contact the case coordinator listed below.

Questions regarding this matter may be directed to case coordinator Mr. Tom Reisdorf at (608) 267-1475.

Docket 6630-CG-113

Questions from the media regarding this matter may be directed to Mr. Jeffery L. Butson,
Public Affairs Director at (608) 267-0912

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

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Attachment